

powers of Japan and West Germany, now totally dependent on the Arab Gulf states, would be at the mercy of the British and their Muslim Brotherhood allies controlling the oil spigots there.

According to State Department officials, in this scenario Egypt would find itself forced to submit to a drastic, virtually genocidal austerity program.

DOS, Clark, Aspen: destroy industry

Below are excerpts provided by a journalist, from an Oct. 15 interview with Joseph C. Wheeler, Deputy Administrator of the Haig State Department's Agency for International Development (AID). Mr. Wheeler is a Carter hold-over who worked on the Global 2000 Report.

We will use the fact of the new political situation in Egypt in any way we can to get them to speed up population control policies. We're going to try to show the "Rapid" [computer simulation] program to President Mubarak again, to impress him with the seriousness of the situation. We've got Lennie Kangas from our population office over in Cairo now discussing new population programs. . . .

Continuing the industrial investment program only encourages people in the labor force now to have more children, and the huge number of children in Egypt now, aged 15 and under, which is most of the population, soon will no longer be able to be absorbed.

What is really needed is policies which do *not* subsidize high capital formation, high capital imports, and high energy forms of production, the so-called "capital-intensive" types of industry. These provide few jobs. For example Egypt built a huge steel industry. This is very inefficient. They shouldn't build any more steel mills. But they want to, and furthermore they're doing something even worse, they're building a whole new industry, a new aluminum industry, which is based on high-energy consumption and low employment. That's the most outrageous. . . .

Egypt should take the place of the labor-intensive economies of the 1950s and 1960s, which began from the ground up, like Hong Kong, Singapore, Japan. They have no business trying to jump into heavy industry. . . .

They subsidize food prices, so food is too cheap, food is way below world market prices. . . .

We want the Egyptian pound devalued to a more market-consistent rate, that will lower imports. We want their interest rates, which are now below 13 percent, raised to world market levels, which will bring in foreign remittances from Egyptian workers abroad. We want the

food subsidy program phased out, we want an end to general cheap food prices. They will have to import less food. . . .

We're saying, "slow down the subsidization of a heavy economy which Egypt cannot afford, and you will slow population growth."

Former Attorney General Ramsey Clark, the man who directed the American side of the Khomeini revolution in Iran in 1977-79, said in New York following the assassination of Anwar Sadat that he will help lead a worldwide effort to destabilize Egypt, in the defense of "Egyptian human rights." By his own account, Clark is working with French President Mitterrand, "my good friend" French Justice Minister Badinter, Amnesty International in London, the International Commission of Jurists in Geneva, the World Council of Churches, and circles in England around the Labour Party's Michael Foot and Anthony Wedgwood Benn.

The following are excerpts from an account of a conversation with Clark, given to EIR by one of Clark's collaborators.

It is very urgent that we move fast, before Mubarak has a chance to consolidate and crack down against the Egyptian opposition even more. Mubarak will be much tougher than Sadat was, not only against the Muslim Brotherhood but against the social democrats, the Liberals, and the left. Things are in flux now following Sadat's death, and now is the time to move.

In April of this year I visited Egypt to attend some trials that never took place. This, of course, did not surprise me, given the horrible repressiveness of the Sadat regime. I met several Egyptian officials while I was there, including the Justice Minister and the chief prosecutor, and complained to them about the lack of human rights in Egypt. They both gave me blank stares—they had no idea what I was talking about. Sadat was the same way. He had absolutely no comprehension of human rights, civil liberties, and so on. The same was true in September, when one of my law partners visited Cairo, right at the time of Sadat's crackdown.

Now that Sadat is out of the picture, we should not sit back and relax. Things are going to get worse in Egypt, so we have to step up our operation. I intend to become much more active on this matter; I really haven't been up to now. The Khomeini support operation, in comparison to our Egypt operation, may have appeared thicker and more substantial, but it really wasn't. In reality, it was just half a dozen people, myself included, running around the country and the world making a lot of noise. The only big difference is that for Iran, we had a very large and very loud student movement to play up to, which we don't have in Egypt's case, except, of course, [with]in Egypt. But I am optimistic. I am in touch with

my leftist friends in Egypt—lawyers, journalists, respected people—and also a few of the more respectable Muslim Brotherhood types. I am also working in coordination without friends in Europe, especially the French. You know, it's nice to have a government in France whose official state policy is backing human rights.

Below are excerpts from an interview with Father John B. Taylor, director of the Ecumenical Institute of the World Council of Churches in Geneva. The WCC, through its ties to the Anglican Church and the Russian Orthodox Church, maintains links to British and Soviet intelligence.

Q: Now that Sadat is dead, what future do you see for Egypt?

A: The worst-case scenario is that Egypt will be like a house of cards, tumbling down, with government replacing government. Egypt will be pushed further and further into extreme reaction—completely opposite to what Sadat stood for—and will become more and more like Iran, a xenophobic, anti-West type of regime. There is a whole structure, a military apparatus, that has been built by Sadat that still remains. However, Sadat, as can be seen by the relative quiet after the assassination, had struck his neck out too far, and had become extremely unpopular in the last months. . . . His vulnerability increased when he quarreled with the Coptic pope. It was a very risky thing for Sadat to do, to attack both Copts and Muslims. . . . I would say that Saudi Arabia has a few more years to go. At some point the feudal system there has to go. In Egypt, Sadat's economic policy was the problem. He was playing with fire. He was orienting too much to Western styles.

Dr. Colin W. Williams, senior fellow and director of developing nations programs at Aspen, told a journalist that the assassination of Sadat will force Egypt to begin a depopulation and de-industrialization program "modeled on that conducted by Iran." Williams, the Dean of the Yale University Divinity School, is a British subject and former Anglican priest.

Q: Will social unrest force President Mubarak to reverse Anwar Sadat's industrialization and Westernization drive?

A: This is a serious problem for Egypt. The Islamic fundamentalists, and even the secular intellectual leaders opposed to the Camp David agreement, are opposed to the import of technology because they feel it ties Egypt to an alliance with the United States. So the Sadat industrialization drive has had a strong destabilizing effect on Egypt.

There is no question that political unrest in Egypt is fundamentally a question of the population crisis. If the you push industrialization this fast, people pour into the

cities seeking industrial jobs. The cities cannot handle this influx of population. This has bred unrest.

They will have to reverse the process. They will have to create a great many new jobs in the rural areas, with far more labor-intensive programs than current industrial programs. They will have to go back to the sort of industrial technology which is more appropriate to the present state of Egypt's rural economy. This is the only way to stop the imbalance. The International Monetary Fund and the World Bank have also made this demand to the Egyptians.

There is no question that the unrest in the cities will force Mubarak to move in the direction of ruralization. Sadat was already being forced to consider this. . . . [Mubarak] will have to concentrate on creating jobs with labor-intensive rural programs.

Q: This sounds like what happened in Iran.

A: Yes, there will have to be a new policy, modeled on that conducted by Iran. That is what the opposition will demand, and there will be tremendous unrest unless they get what they want.

In another interview, Gaylord Freeman, Aspen Institute trustee and former Chairman of the First National Bank of Chicago, predicted that the Soviet Union will use Libyan terrorists to "undermine and destroy" the Egyptian economy. This will force the shutdown of Egypt's industrial programs and lead to famines, which will reduce the Egyptian population. Excerpts follow.

Q: What will be the effects of the political unrest in Egypt on U.S. investment there?

A: There is going to be a slowing of U.S. and foreign investment in general throughout the Middle East. Already U.S. companies have slowed their investment pace. . . . These countries are going to have to change their industrial policy. We're entering a period of increasing worldwide disappointment and despair, in which the United States can no longer fulfill the expectations of the region's people. There's no money. The program will be slowed.

Sadat had been building up new cities outside Cairo at a tremendous rate, with huge capital investment. This can't continue. . . . Population pressures are already causing political tension. People will have to be moved out of the cities. But what's likely to happen is that efforts by Mubarak to move them out of the cities. How can you keep them down on the farm after they've seen Paris? Then there will really be disturbances, because the government will not be able to support these populations in the cities.

Then the problem becomes that the Soviets will use that against Mubarak, to pose a threat to Egypt, to create tensions inside the country as a threat to the

government, to try to impose their own socialist system. They are already soliciting agents throughout the country and are threatening to set up a government in exile in Libya against Mubarak. It is very dangerous.

Egypt's cities are overpopulated, and this provides a sort of agar dish, a fertile ground for the Soviets to sow their seeds of unrest and revolution. The goal of the Soviet Union in Egypt is to create enough of a disruption in Egypt to undermine and destroy Answar Sadat's Westernization program, which is linking Egypt to the West through Western industry and investment. The Soviets want to create enough of a disturbance to frighten foreign investors and American bankers out of Egypt—to cut off foreign investment and stop the capitalist industrial programs. You'll see terrorists disrupting

The IMF plan for Egypt

The World Bank and the IMF are the chief international enforcers of a depopulation policy for Egypt. Under the headline "Egypt may be the first victim of a tougher IMF," *Business Week* commented Oct. 12 that refusal of the IMF this month to grant Egypt a \$400 million loan "could mean chaos for Egypt."

Since 1977 there has been a standoff between the IMF and Egypt following food riots in Cairo, triggered when Sadat heeded an IMF demand to cut back on government subsidies. Now, with income from oil sales declining and a drop in investor confidence in Egypt which began even before Sadat's death, Mubarak may be forced to come to terms with the IMF.

Less than a month before Sadat's death, he opened up an unprecedented confrontation with the major multinational banks. In a tense Sept. 14 meeting Egyptian Finance Minister Abdel Razak Abdel Meguid confronted a number of banking executives for speculating on the Egyptian economy. A month earlier, Sadat had ordered changes in Egypt's complex foreign-exchange laws to reduce capital flight from Egypt. An IMF official commented on these actions with displeasure.

The IMF official noted that the IMF's sister organization, the World Bank, is promoting a plan for Egypt to base the economy on cotton production, because it is "labor-intensive." The plan calls for moving people out of Egypt's cities into the countryside; it is identical with the economic diktat imposed on Egypt by Britain during its colonial rule in the 19th century.

production and urban strife, even the bombing of industrial plants and urban construction sites.

I had a long talk with Anwar Sadat some years ago. He told me, "You bankers have performed miracles in Germany with your capital and industry. Please do this in Egypt." I told him, "No, it's different here. You don't have the entrepreneurial spirit. No one saves."

Q: Don't you see any way to solve Egypt's population crisis?

A: No, there is simply nothing which can stop a cataclysm in Egypt caused by overpopulation, unless there is some tremendous religious revival or reversal in which people decide to have no children at all. I don't see any solution.

Q: Won't the Soviet actions drive people out of the cities?

A: This process will certainly reduce the buildup of urban population in Egypt, but it won't be enough. What is more important is that it will lead to a cutoff in foreign financing in Egypt. That could create real problems for their food supply, which is heavily imported. First, there could be a food crisis. Then, they are losing their water supply, so there could be a water crisis. There will be little the Egyptian government can do.

Q: What is U.S. policy? What should it be?

A: This is precisely why [Aspen Institute President] Joseph Salter's people are already visiting the leaders of state in the Mideast, to try to pull something together. We need some new accord; Camp David is not sufficient to deal with the Soviet threat. If the Saudis could bring themselves to carry on the work initiated by Sadat at Camp David in reaching a new accord with the Israelis, to accept some adjustment in their demands on Israel, perhaps the area can be stabilized. It might have to be at the expense of Jordan, but that's unfortunate.

Q: Why should the Arabs agree to this now?

A: Because the turmoil in the area frightens them. This could frighten them into sacrificing more, more to Israel. If the Russians take over Egypt and shut down the Suez Canal, how do you think Europe will feel? That would starve Italy of fuel. Don't you think they'd go along?

If you want to find out more about what the Soviets and the Libyans are thinking, you should call Dr. Hammer, Armand Hammer of Occidental. Or call my old friend Bob Abboud (former First Chicago Bank chairman and now president of Occidental Petroleum). They were just over to see Qadaffi in Libya three or four days before Sadat was shot. Both of them, especially Armand Hammer, are very close to the Libyan situation. They are also very close to Soviet thinking on the area. They can tell you what's going on in Moscow on this.